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S E C R E T SECTION 01 OF 02 SHANGHAI 000484

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DEPT FOR EAP/CM, INR/B AND INR/EAP
NSC FOR WILDER AND TONG

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SUBJECT: SHANGHAI NGO ENVIRONMENT WORSENING

REF: A) BEIJING 4401; B) SHANGHAI 342

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CLASSIFIED BY: Simon Schuchat, Deputy Principal Officer, U.S.
Embassy, Beijing, Department of State.
REASON: 1.4 (b), (c), (d)

1. (S) Summary: Roots and Shoots General Manager Zhong Zhenxi provided a unique glimpse into NGO-Government relations, reporting that the operating environment for NGOs in Shanghai had gone from bad to worse. On a regular basis, local NGOs were forced to report their contacts, especially with foreigners, to the Public Security Bureau (PSB). At times, other, unidentified government organizations would also use PSB cover to ply NGOs for information about contacts. PSB or other organizations appeared to view NGOs as intelligence gathering apparatuses against foreigners or foreign organizations. Zhong's contacts within the Propaganda Bureau had hinted that there would not likely be a resolution on a much anticipated NGO law anytime in the near future. Zhong speculated that the tense environment for NGOs may be related to rumors of problems within the central leadership. End summary.

"You Work for us Now"

2. (S) Zhong and Yvonne Fang, head of Sunrise Library, a local NGO that builds libraries in AIDs ravaged villages outside of Shanghai, have told Poloff of regular harassment by PSB officials--both Shanghai and district level--during the course of several discussions spanning two years, most recently on July 3 in the case of Fang and July 23 in the case of Zhong. Zhong and Fang have informed Poloff that PSB officers would show up at their offices unannounced or call requesting they meet for coffee. The two were regularly warned against meeting with foreign governments "too regularly," and reminded that some foreign governments had ulterior motives. Zhong and Fang noted that they have always been approached by the PSB after meeting with Congenoffs. They separately assessed that their phones were tapped and that they were frequently followed.

3. (S) Zhong has tried many times in the past to explain to the PSB the work that Roots and Shoots engages in and has attempted to describe the NGO registration process and Roots and Shoots' relationship with the Shanghai Civil Affairs Bureau (SCAB), the sponsoring organization. PSB officers did not care about the NGO's work, rather, they usually wanted information about different people whom Roots and Shoots had hired, used as volunteers, or otherwise had contact with.

14. (S) During a late May meeting with Poloff, Jiaotong professor and former Fulbright Scholar Dan Guttman, a good friend of Zhong's, said Zhong had been approached by the British Consulate who had tried to persuade her to work for them locally. During a PSB debriefing, the job offer came up and the PSB officer told the contact matter-of-factly that she ought to take the job, so they would then have someone working for them "on the inside."

Beware the Foreign Connection

15. (S) According to Zhong, an unknown government organization has been actively working, since April, to undermine the group by intimidating Roots and Shoots partner schools into breaking off their associations. For instance, in April, a student leader who was running the "Hai Keyi" group--an AIDS awareness student group that taught migrants about safe sex--at Jiaotong University called Zhong in a panic. He had been working with Zhong to establish a joint program with Roots and Shoots to raise AIDS awareness on the local campus. The student said he had just been visited by PSB officers who flashed their badges and then told him he should not participate with Roots and Shoots. The NGO, they said, was an evil, illegal organization that was controlled by foreign influences opposed to China. He then received a call from the school's Communist Youth League Secretary who similarly advised him to break off contact with

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Roots and Shoots for the same reasons. The student added he was taking a great risk in providing this information and was afraid his phone had been bugged. Zhong said that recently, East China Normal University and another local university had likewise broken off relations. In addition, some of her associates had been questioned specifically regarding their ties to AmCham, noting that it, too, was an evil foreign-controlled organization.

16. (S) Zhong complained to her regular PSB handlers, arguing that they knew full well Roots and Shoots was neither illegal

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nor evil and demanded to know why they were intimidating her contacts. The PSB officer sighed and explained that while it was possible that it was the PSB--there was little inter-office communication--more likely it was "another government organization." According to the officer, there were "some other organizations" that used PSB cover to collect information or engage in these types of activities. (Comment: While the PSB officer declined to say which other organizations might be inclined to use PSB cover, we think it likely that the State Security Bureau (SSB)--the government's intelligence collection arm--is one of the primary suspects. End comment.)

17. (S) Zhong also had complained to the SCAB about the treatment her organization was receiving. Her SCAB contact said that Roots and Shoots was engaging in projects touching on sensitive issues and advised it to back off. AIDS was a taboo subject and poverty alleviation did not fall under the purview of an NGO, but was, in fact an internal issue for the government to take care of. Zhong was a bit incredulous that such was the case and said that the seeming paranoia against NGOs stemmed from the current political climate in Beijing and Shanghai. She said no one these days knew which way the political winds were blowing and everyone was scared of losing their jobs, so everyone was being overly cautious concerning NGOs.

Charity Law? What Charity Law?

18. (S) Zhong was doubtful that there would be any legal improvements that would ease the current environment in the near term. Despite recent discussion of the Charity Law (Ref A), she did not expect any movement on it anytime soon. The law had

been under discussion for years and would probably be under discussion for several more. On July 20, an official from the Shanghai Propaganda Department told Zhong that Roots and Shoots was one of the few foreign-sponsored NGOs that had registered in China, the only one in Shanghai, and would likely be the only one in Shanghai for several more years.

An Unhappy Military

¶9. (S) Zhong said that she had heard rumors from several different quarters, including an associate from China Central Television, that the military was growing dangerously restless. Tensions had been building since the early 1990s, when former President Jiang Zemin had taken over the Central Military Commission (CMC) and had only gotten worse under Hu. The military was growing increasingly frustrated with being governed by leaders who had no military experience, and might even take action. (Comment: It is unclear how reliable or informed Zhong's sources are. However, that Zhong--who herself does not, to our knowledge, have any personal connections to the military or to the leadership--appears to have heard the same story of PLA dissatisfaction from several discrete sources does at least suggest that such speculative rumors are common in some segments of society. End comment.)

¶10. (S) Zhong speculated that if this kind of pressure was building within the party, then it would be natural for the government to be cracking down on NGOs in an effort to do away with any potential foreign influence during a time of domestic uncertainty. Some within the government are convinced that all NGOs--particularly those with ties to foreign entities--are controlled by foreign governments whose sole purpose for supporting NGOs is to undermine the current regime.

Comment

¶11. (S) Zhong's information largely tracks with other reports of intimidation Consulate has received from Shanghai NGOs, both reported (Ref B) and not reported. It is certainly no secret that certain elements within the Chinese bureaucracy harbor deep suspicions over the intentions of foreign governments toward them. Zhong's--and to a lesser extent Fang's--unusually candid account of run-ins with PSB officials and the difficulties she has faced in recent months provides a unique glimpse into NGO-government relations in Shanghai. End comment.
SCHUCHAT